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PRODUCTION DEPARTMENT
ENVIRONMENTAL AND REGULATORY AFFAIRS

D. M. BALDWIN
MANAGER

RSPA -98-4868-36

November 22, 1991

Notice of Proposed Rulemaking
"Gas Gathering Line Definitions"
Docket No. PS-112, Notice 1
Federal Register 48505
September 25, 1991

Dockets Unit (Room 8417)
Research and Special Programs Administration
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, D. C. 20590

Gentlemen:

Exxon Company, U.S.A. appreciates this opportunity to respond to the notice of proposed rulemaking (NPRM) proposing definitions of gathering line, production facility, and production field in 49 CFR Part 192. We commend RSPA for proposing definitions which will help to clarify the end points of a gathering line, using the concept of function served by that line. Non-functional parameters considered in the past would create a tremendous burden on industry and regulatory agencies, without a commensurate contribution to pipeline safety.

We have a few comments on the proposed NPRM and response to RSPA's questions posed in the preamble, as follows:

1. Definition of Gathering Line:

- a. This definition is generally acceptable, but it does introduce problems that are avoided by the attached API proposed definition dated April 5, 1989, presented to the Technical Pipeline Safety Standards Committee (TPSSC). An example problem is generated by reference to "first production facility" in the first sentence, as follows:

In an automated oil field, gas is separated in a 3-phase separator at some pressure at the first production facility, and is gathered to the gas plant. Oil/water emulsion is sent on to central treating in the field (a second production facility) where additional gas is evolved (comes out of solution) from the crude. This gas is also gathered to the gas plant. This transportation of gas from a second production facility where gas is separated is no less "gathering" than from the first production facility where gas is separated.

Proposed Solution #1: Substitute the attached definition dated April 5, 1989, or

Proposed Solution #2: Retain the RSPA proposed definition, and make the following change (addition underlined):

" . . . used to transport gas from a well or the first production facility where gas is separated from produced hydrocarbons, from other production facilities, whichever is farther downstream . . . "

- b. We agree with item (3), except that in reference to 'two' adjacent fields, the word 'two' should be removed. Adjacent fields is more appropriate.

2. Definition of Production Facility:

RSPA has proposed a good definition for production facility. We propose enhancements as follows:

- a. Consistent with 49 CFR Part 195, make it clear in the discussion of the final rule that flowlines to separation facilities are part of production facilities. Reference is made to Federal Register, April 22, 1986, 15005.
- b. In both (1) and (2) add 'petroleum liquids or' in front of 'gas.' This will be consistent with 49 CFR Part 195.2 and clarify that petroleum liquids and gas are frequently produced together (in thousands of fields and reservoirs).
- c. Consistent with 49 CFR Part 195, add "(to be a production facility under this definition, piping or equipment must be used in the process of extracting petroleum liquids or gas from the ground and preparing it for transportation by pipeline.)" This will make clear that production equipment used in a gathering line is not part of the production facility as defined by RSPA.

RSPA requested comments on whether the term 'adjacent' is an adequate criteria to use in identifying the end of gathering in item (3) of the gathering line definition. We believe that it is appropriate as used.

RSPA further requested information on miles of gathering line that might be reclassified as transmission lines under the proposed definitions, and associated costs. When non-regulated rural gathering lines become reclassified as transmission lines, the initial and annual operating costs are quite significant, as testified to by API before the TPSSC. However, as we understand the RSPA proposed definitions, and with the minor changes and clarifications proposed by Exxon and/or API, we do not believe that significant gathering lines that we operate would be reclassified as transmission lines.

Further to the discussion of reclassification under the proposed definitions, we recognize that many different producing/gathering configurations exist in industry, and many of those could be reclassified. We strongly support a

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waiver from regulation process which RSPA discussed before the TPSSC on September 1.2, 1989, as follows:

"OPS has also considered the impact of this rulemaking on pipeline operators who have historically treated pipelines as gathering lines exempt from Part 192, but which could be reclassified under the proposed definition of gathering line. These pipelines which could vary in length from a few feet to several miles, often may be the operator's only line subject to Part 192. Depending on the circumstances involved, the effort for these pipelines to comply with Part 192 may not be matched by safety benefits. Thus, for lines in rural areas that do not have safety benefits commensurate with the costs to comply with Part 192 because of their close association with gathering, OPS will consider waiving Part 192 requirements upon application showing adequate justification."

We offer the above comments in the spirit of improving reasonable proposals put forth by RSPA, and we thank you for this opportunity. If you have any questions regarding Exxon's comments, please call R. D. (Robin) Bauerle, (713) 656-7508.

Sincerely,



RDB:jh
Attachment

February 21, 1989
Revised-April 5, 1989 .

ATTACHMENT A
AMERICAN PETROLEUM INSTITUTE
PROPOSED FACILITY DEFINITIONS FOR
GAS PIPELINE SAFETY STANDARDS
(49 CFR Part 192)

Production Facility means piping or equipment used in the production, extraction, recovery, lifting, stabilization, separation, treating, associated measurement, or storage of petroleum liquids and/or natural gas, as well as field compression, gas lift, gas injection, or fuel gas supply. (To be a production facility under this definition, piping or equipment must be used in the process of extracting petroleum liquids or natural gas from the ground and **preparing** it for transportation by pipeline.)

Gathering Line means one or more segments of pipeline, usually interconnected to form a network, the primary function of which is to transport gas from one or more production facilities to:

- a) the inlet of a gas processing plant (excluding straddle plants*),

OR

- b) if no gas processing plant is located downstream, the most downstream of:

- (1) the point of custody transfer of gas to a line which transports gas to:
- o a distribution center or a line within a distribution center,
 - o a gas storage facility, or
 - o an industrial consumer;

OR

- (2) the point of last **commingling** of gas from a single field or separate geographically proximate fields;

OR

- (3) the outlet of a compressor station downstream of the point of last **commingling** described in b) (2) if compression is **required** for the gas to be introduced into another pipeline:

Explanatory Information:

- * Straddle plants, located on or adjacent to gas **transmission lines** for the purpose of extracting light **hydrocarbon liquids from gas** in the custody of the transmission company, are not to be considered _{gas} processing plants in the definition of "gathering line".